

R E P O R T

NINE MILE POINT VOLUNTEER FIRE  
COMPANY NO. 1

DECEMBER 31, 2012 AND 2011

NINE MILE POINT VOLUNTEER FIRE  
COMPANY NO. 1

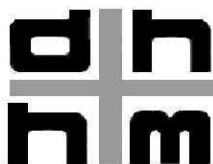
REPORT INDEX

DECEMBER 31, 2012 AND 2011

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT .....	1 - 2
FINANCIAL STATEMENTS:	
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	5 - 6
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8 - 12
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	
	13 - 14
SCHEDULE OF CURRENT YEAR FINDINGS .....	15
STATUS OF PRIOR YEAR FINDINGS .....	16

WILLIAM G. STAMM, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.  
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.  
HEATHER M. JOVANOVIH, C.P.A.  
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.  
DAVID A. BURGARD, C.P.A.  
CLIFFORD J. GIFFIN, JR., CPA  
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)  
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)  
WILLIAM R. HOGAN, JR., CPA (1920-1996)  
JAMES MAHER, JR, C.P.A. (1921-1999)

## INDEPENDENT AUDITOR'S REPORT

May 15, 2013

Board of Directors  
Nine Mile Point Volunteer Fire  
Company No. 1  
Nine Mile Point, Louisiana

We have audited the accompanying statements of financial position of Nine Mile Point Volunteer Fire Company No. 1 (a Louisiana nonprofit corporation) as of December 31, 2012 and 2011 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888  
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940  
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833  
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941  
[www.dhmcpcpa.com](http://www.dhmcpcpa.com)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nine Mile Point Volunteer Fire Company No. 1 as of December 31, 2012 and 2011, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2013 on our consideration of Nine Mile Point Volunteer Fire Company No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nine Mile Point Volunteer Fire Company No. 1's internal control over financial reporting and compliance.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
 STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2012 AND 2011

	<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
CURRENT ASSETS:			
Cash and cash equivalents (Notes 1 and 2)	\$	<u>257,610</u>	\$ <u>240,373</u>
Total current assets		<u>257,610</u>	<u>240,373</u>
PROPERTY AND EQUIPMENT - (Notes 1 and 3)			
Net of accumulated depreciation		<u>170,147</u>	<u>141,503</u>
TOTAL ASSETS	\$	<u><u>427,757</u></u>	\$ <u><u>381,876</u></u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Accounts payable	\$	3,186	\$ 1,936
Accrued payroll and payroll tax liabilities		17,043	46,748
Compensated absences payable (Note 1)		<u>30,086</u>	<u>39,625</u>
Total current liabilities		<u>50,315</u>	<u>88,309</u>
Total liabilities		<u>50,315</u>	<u>88,309</u>
NET ASSETS:			
Unrestricted net assets		<u>377,442</u>	<u>293,567</u>
Total net assets		<u>377,442</u>	<u>293,567</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>427,757</u></u>	\$ <u><u>381,876</u></u>

See accompanying notes.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
UNRESTRICTED NET ASSETS:		
SUPPORT:		
Firefighting contract (Note 6)	\$ 762,000	\$ 780,000
Insurance rebate (Note 6)	14,164	14,303
Firetruck rental fund (Note 6)	3,379	18,938
Insurance reimbursements	10,897	14,407
Interest income	15	8
Other income	3,109	2,387
Donation income	1,000	15,068
Total support	<u>794,564</u>	<u>845,111</u>
EXPENSES: (Page 5 and 6)		
Program services - firefighting	643,269	568,603
Supporting services - management and general	67,420	54,747
Total expenses	<u>710,689</u>	<u>623,350</u>
Increase in unrestricted net assets	83,875	221,761
Unrestricted net assets - beginning of year	<u>293,567</u>	<u>71,806</u>
NET ASSETS - END OF YEAR	<u>\$ 377,442</u>	<u>\$ 293,567</u>

See accompanying notes.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
 STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 13,981	\$ 13,981
Bank and credit card charges	-	-	-
Charitable contributions	-	75	75
Depreciation	15,793	1,047	16,840
Dues and subscriptions	-	3,236	3,236
Equipment repair	21,406	1,420	22,826
Firefighting supplies	12,927	-	12,927
Fuel	12,646	-	12,646
Insurance	113,786	7,546	121,332
Licenses	763	-	763
Loss on disposal of assets	505	33	538
Maintenance	19,186	1,272	20,458
Meals and consumables	475	-	475
Medical expenses	187	-	187
Miscellaneous	-	1,336	1,336
Morale	4,822	-	4,822
Office expense	-	8,323	8,323
Payroll taxes	49,988	3,315	53,303
Retirement expense	10,325	685	11,010
Salaries and wages	359,607	23,849	383,456
Training and education	1,218	-	1,218
Utilities	<u>19,635</u>	<u>1,302</u>	<u>20,937</u>
 TOTAL	 \$ <u>643,269</u>	 \$ <u>67,420</u>	 \$ <u>710,689</u>

See accompanying notes.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 7,489	\$ 7,489
Bank charges	-	25	25
Charitable contributions	-	100	100
Depreciation	11,151	803	11,954
Dues and subscriptions	-	1,841	1,841
Equipment repair	12,805	922	13,727
Firefighting supplies	11,458	-	11,458
Fuel	10,497	-	10,497
Insurance	100,183	7,215	107,398
Licenses	342	-	342
Loss on disposal of assets	-	-	-
Maintenance	14,314	1,031	15,345
Meals and consumables	1,268	-	1,268
Medical expenses	232	-	232
Miscellaneous	-	1,261	1,261
Morale	523	-	523
Office expense	-	5,075	5,075
Payroll taxes	32,649	2,351	35,000
Retirement expense	10,981	791	11,772
Salaries and wages	340,292	24,507	364,799
Training and education	3,359	-	3,359
Utilities	18,549	1,336	19,885
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL	\$ <u>568,603</u>	\$ <u>54,747</u>	\$ <u>623,350</u>

See accompanying notes.



NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 83,875	\$ 221,761
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,840	11,954
Loss on disposal of assets	538	-
Decrease in operating assets:		
Accounts receivable	-	1,200
Increase (decrease) in operating liabilities:		
Accounts payable	1,250	(3,329)
Accrued payroll and payroll tax liabilities	(29,705)	6,122
Compensated absences payable	(9,539)	(7,880)
Net cash provided by operating activities	<u>63,259</u>	<u>229,828</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	<u>(46,022)</u>	<u>(15,019)</u>
Net cash used by investing activities	<u>(46,022)</u>	<u>(15,019)</u>
NET INCREASE IN CASH	17,237	214,809
Cash and cash equivalents at beginning of year	<u>240,373</u>	<u>25,564</u>
CASH AND CASH EQUIVALENTS - AT END OF YEAR	<u>\$ 257,610</u>	<u>\$ 240,373</u>

See accompanying notes.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

ORGANIZATION:

Nine Mile Point Volunteer Fire Company No. 1 (the fire company) was established to provide firefighting and rescue service to a designated area of the Seventh Fire District (a separate entity) of Jefferson Parish, Louisiana. In addition, the fire company provides fire code inspections for businesses within its district, as well as firefighting and rescue training for its members. The fire company maintains two fire stations and has approximately ten full-time employees, ten part-time employees and ten volunteers. The fire company's main source of revenue is a fire protection contract with Jefferson Parish effective for the period December 1, 2003 through November 30, 2013. The contract was adopted by the Jefferson Parish Council with Resolution Number 99718 on November 19, 2003. The fire company's membership adopted and signed the contract on January 6, 2004.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the fire company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting and Financial Statement Presentation:

The financial statements are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The fire company follows FASB ASC 958-205, *Financial Statements of Nonprofit Organization*. Under FASB ASC 958-205, the fire company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the fire company is required to present a statement of cash flows. As of December 31, 2012 and 2011, respectively, the fire company had only unrestricted net assets.

The statement of activities presents expenses of the fire company's operations functionally between program services for firefighting and administrative and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Contributions:

The fire company adopted FASB ASC 605-10, *Accounting for Contributions Received and Contributions Made*. In accordance with FASB ASC 605-10, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions.

Income Taxes:

Based on a ruling by the Internal Revenue Service, the fire company is not required to file a tax return.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents:

For the purposes of reporting of cash flows, the fire company considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents. Supplemental disclosures of cash flow information are as follows:

Cash paid during the year for:

	<u>2011</u>	<u>2010</u>
Interest	\$ - -	\$ - -
Income Taxes	\$ - -	\$ - -

Property and Equipment:

Acquisitions of property and equipment in excess of \$1,000 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at acquisition cost, or estimated historical cost if acquisition cost was not available. Depreciation is provided for in amounts sufficient to relate the cost of depreciable property and equipment to operations over their estimated useful lives using the straight-line method. Estimated useful lives of property and equipment are as follows:

Automobiles	5 - 10 years
Furniture and fixtures	7 - 15 years
Equipment	3 - 15 years
Buildings and improvements	7 - 50 years

The fire company's policy is to depreciate the buildings and equipment over their estimated useful lives using the straight-line method and to annually evaluate the remaining useful lives. It is at least reasonably possible that the fire company's estimate of the remaining useful lives will change in the near term.

Annual Leave:

Each full-time employee earns annual leave as follows:

<u>Years of Continuous Service</u>	<u>Hours</u>
0 - 12 months	0
1 - 10 years	216
Over 10 years*	216+

\*Employees earn 12 hours of additional leave for each year over 10 years up to a maximum of 360 hours after 22 years.

In 2012, the Board adopted a policy regarding annual leave balances. Under the new policy, at their anniversary date, employees are paid for any time accumulated over 312 hours.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Annual Leave: (Continued)

The liability for accrued annual leave was \$30,086 and \$39,625 as of December 31, 2012 and 2011, respectively.

Fair Value of Financial Instruments:

FASB ASC 825-10, *Disclosures about Fair Value of Financial Instruments*, requires disclosure of the fair value of certain financial instruments. The book value of cash and cash equivalents, investments, accounts receivable and accrued liabilities are reflected in the financial statements at fair value because of the short-term maturity of these instruments.

2. CASH AND CASH EQUIVALENTS:

At December 31, 2012 and 2011, the fire company maintained cash balances in one local bank. The bank and book balances were as follows:

	<u>Book Balances</u>	<u>Bank Balances</u>
December 31, 2012	\$ 257,610	\$ 270,694
December 31, 2011	\$ 240,373	\$ 249,342

The checking accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2012, non-interest bearing accounts totaled \$198,672 and interest bearing accounts totaled \$72,022 and were all fully insured. At December 31, 2011, all cash balances were fully insured.

3. PROPERTY AND EQUIPMENT:

Below is a summary of activity in the fire company's property and equipment accounts during the year ended December 31, 2012:

	<u>Balance 01/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/12</u>
Land	\$ 85,600	\$ -	\$ -	\$ 85,600
Buildings	365,513	3,454	(1,600)	378,603
Vehicles	439,481	-	-	439,481
Firefighting equipment	34,441	38,500	(2,151)	59,554
Furniture and fixtures	7,929	4,068	-	11,997
	932,964	46,022	(3,751)	975,235
Accumulated depreciation	(791,461)	(16,840)	3,213	(805,088)
Net property and equipment	\$ 141,503	\$ 29,182	\$ (538)	\$ 170,147

Depreciation expense totaled \$16,840 for the year ended December 31, 2012.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

3. PROPERTY AND EQUIPMENT: (Continued)

Below is a summary of activity in the fire company's property and equipment accounts during the year ended December 31, 2011:

	<u>Balance</u> <u>01/01/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/11</u>
Land	\$ 85,600	\$ -	\$ -	\$ 85,600
Buildings	363,589	1,924	-	365,513
Vehicles	439,481	-	-	439,481
Firefighting equipment	21,346	13,095	-	34,441
Furniture and fixtures	<u>7,929</u>	<u>-</u>	<u>-</u>	<u>7,929</u>
	917,945	15,019	-	932,964
Accumulated depreciation	<u>(779,507)</u>	<u>(11,954)</u>	<u>-</u>	<u>(791,461)</u>
Net property and equipment	\$ <u>138,438</u>	\$ <u>3,065</u>	\$ <u>-</u>	\$ <u>141,503</u>

Depreciation expense totaled \$11,954 for the year ended December 31, 2011.

4. DONATED SERVICES:

Amounts have not been reflected in the financial statements for donated services because the value of these services was not readily determinable. However, a substantial number of volunteers have donated significant amounts of their time in the fire company's program services.

5. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These allocations are based upon management's estimate of usage applicable to conducting the programs and supporting services.

6. FIRE PROTECTION CONTRACT:

Substantially all of the fire company's support is derived from funds provided by Jefferson Parish. Under the contract with Jefferson Parish, the fire company receives a percentage of certain ad valorem taxes assessed within the 7th Fire Protection District of Jefferson Parish, as well as additional funding from sales tax and fire insurance rebates. Total public support received under this contract totaled \$779,543 and \$813,241 for the years ended December 31, 2012 and 2011, respectively.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

7. RETIREMENT PLAN:

The fire company has a contributory retirement plan covering all paid employees. The fire company contributes up to 3% of participating employees' annual salaries. The retirement expense for the plan for the years ended December 31, 2012 and 2011 was \$11,010 and \$11,772, respectively.

8. EXPENSES PAID BY OTHERS:

The full-time firefighters of the fire company receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. The amount of pay received does not vary based upon years of service and is based upon state law. As these supplemental state funds are paid directly to the firefighters, and do not pass through the fire company, the funds are not included in these financial statements.

9. ECONOMIC DEPENDENCY:

The fire company's income is derived primarily from the proceeds of an ad valorem tax, millage, and other funding under a contract with the Jefferson Parish Council to support its firefighting and rescue services. See Note 6. The fire company is not aware of any plans on the part of Jefferson Parish to terminate the contract.

10. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. USE OF ASSETS OWNED BY JEFFERSON PARISH:

Some assets used by the fire station are owned by Jefferson Parish. The fire company uses these assets as part of the contract with Jefferson Parish.

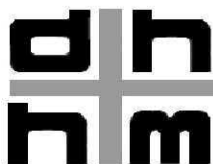
12. DATE OF MANAGEMENT'S REVIEW:

Subsequent events have been evaluated through May 15, 2013, which is the date the financial statements were available to be issued.



WILLIAM G. STAMM, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.  
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.  
HEATHER M. JOVANOVICH, C.P.A.  
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.  
DAVID A. BURGARD, C.P.A.  
CLIFFORD J. GIFFIN, JR., CPA  
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)  
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)  
WILLIAM R. HOGAN, JR., CPA (1920-1996)  
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

May 15, 2013

To the Board of Directors  
Nine Mile Point Volunteer Fire Company No. 1  
Nine Mile Point, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nine Mile Point Volunteer Fire Company No. 1, which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 15, 2013.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements we considered Nine Mile Point Volunteer Fire Company No. 1 (the Company) internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance,

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888  
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940  
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833  
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941  
[www.dhmcpcpa.com](http://www.dhmcpcpa.com)

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Nine Mile Point Volunteer Fire Company No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and is not to provide an opinion on the effectiveness of the Company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Duplantier, Hrapmann, Hogan & Maher, LLP***



NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2012

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Nine Mile Point Volunteer Fire Company No. 1 for the year ended December 31, 2012 was unqualified.
2. Internal Control  
Material weaknesses: None  
Significant deficiencies: None
3. Compliance and Other Matters  
None

INTERNAL CONTROL – SIGNIFICANT DEFICIENCY

None

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2012

SUMMARY OF PRIOR YEAR FINDINGS:

11-01 Journal Entries

In the prior year it was noted that journal entries were required for financial statement misstatements related to payroll, fixed asset accounts, and to record receivables and payables. This comment has been resolved in 2012.

11-02 Preparation of Financial Statements

In the prior year it was noted that the company does not have controls in place for proper oversight of its financial reporting and for preparation of financial statements. This comment has been resolved in 2012. .